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TAGS: [PGOV](#) [PINR](#) [PM](#) [POLITICS](#) [FOREIGN](#) [POLICY](#) [POL](#) [SPECIALIST](#)  
SUBJECT: PANAMA'S MAY 2004 ELECTIONS

REF: A. 03 PANAMA 1416  
[B](#). 03 PANAMA 2713  
[C](#). 03 PANAMA 3009  
[D](#). 03 PANAMA 3173

SUMMARY: SAME HORSES, DIFFERENT RACE

[1](#). (SBU) Panamanians nationwide will go to the polls on May 2, 2004 to choose a president, 78 legislators, 75 mayors, 619 local representatives, and 20 representatives to the Central American Parliament. The presidential campaign currently is a two-man race (in a field of four candidates) with the economy (especially unemployment), corruption, and personal security (common crime) at the top of the campaign agenda. Despite calls from civic organizations for reforms to Panama's constitution, which all candidates have said that they favor, prospects are increasingly remote that voters will be consulted on that issue on May 2 via an extra ballot (para 11). A December 15, 2003 La Prensa poll shows Revolutionary Democratic Party (PRD) candidate Martin Torrijos with a comfortable lead (49%-31%) over former President (1989-94) Guillermo Endara, the Solidarity Party candidate. Trailing the two front-runners are Arnulfista candidate Jose Miguel Aleman (8%) and Cambio Democratico candidate Ricardo Martinelli (5%). All the candidates are pro-American and can be expected to continue the current government's excellent cooperation on security and law enforcement issues. Embassy is focusing on the campaign teams to identify any potential ministerial appointees who might be less compatible with U.S. interests. Dominating international issues are upcoming Panama-U.S. FTA negotiations and Colombian border security. End Summary.

THE PARTIES AND THEIR ALLIANCES

[2](#). (U) Official Electoral Tribunal (TE) records identified just over 2 million registered voters (Panama's population is 2.9 million), many of whom are independents. Seven legally-registered parties currently are backing the four official presidential candidates. The most recent registration figures show that by far Panama's biggest political party is the PRD (see below):

Party	Membership	Candidate
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Revolutionary Democratic Party (PRD)	445,000	Torrijos
Arnulfista Party (PA)	198,000	Aleman
National Liberal Republican Movement (MOLIRENA)	110,000	Aleman
National Liberal Party (PLN)	74,000	Aleman
Solidarity Party (PS)	72,000	Endara
Cambio Democratico Party (CD)	52,000	Martinelli
Popular Party (PP)	50,000	Torrijos

The PRD-PP coalition backing Torrijos counts 495,000 party members; the coalition backing Aleman counts 382,000.

[3](#). (SBU) Frictions between alliance partners have already developed at the legislative and local representative level

but are most notable within the Arnulfista alliance, where candidates from all three parties may be competing for one spot in important districts. Endara, an Arnulfista Party founding member who has nominal support from the Solidarity Party's weak base, is welcoming "refugees" from other parties. Polling data show support for Torrijos has remained strong after the PRD's August 10 primaries, despite minor hiccups over sharing electoral space with PP members. Party alliances notwithstanding, gauging support for legislative and local candidates will remain problematic until after February 2, when the parties must name their candidates.

(SBU) MARTIN TORRIJOS: NOT HIS FATHER'S PRD  
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14. (SBU) Martin Torrijos is the only presidential candidate nominated by his party via nationwide primaries. His strong lead in the polls, which has persisted for many months, suggests that he has convinced many voters that his PRD is very different than the party that once was the political vehicle for Panama's military dictators (Ref. A). On the other hand, many observers believe that Martin is in hock politically to the PRD's discredited old guard. A Torrijos presidency may offer Panama its best chance for efficient administration. He has distinguished himself by his soaring ambition to make Panama a "first world" country in 20-30 years and by having the brightest and best ideas on how to do it. The PRD is more democratic than it was before Martin controlled it. He has less credibility on anti-corruption, having failed to distance himself from his campaign manager, Hugo Torrijos, despite evidence of malfeasance brought to light in the recent PECC scandal. Torrijos' two VP candidates, who he will announce publicly on January 15, will most likely be businessman Samuel Lewis Navarro and Popular Party President and current Legislator Ruben Arosemena.

SECURITY AGENDA  
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15. (SBU) Besides promising to improve Panama's economy, indeed, to take economic and administrative measures to propel Panama into the ranks of the first world, Martin Torrijos' campaign has emphasized public/national security issues. On the domestic front, the Torrijos team has focused on neighborhood security and what they claim to be an increase in violent crime. On the international front, the PRD team has spoken frequently about how best to control the Panama/Colombia border region. A Torrijos security brain trust (including former PNP Director Asvat) meet regularly to advise him on security. In October, the PRD held a public conference on security matters (Ref D).

ENDARA: A SOLID SECOND  
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16. (SBU) Endara (like third-place Aleman) has already named both vice presidential running mates, Guillermo (Billy) Ford and Alejandro Posse. Both Ford and Posse served in the Moscoso Administration -- Ford as Ambassador to the U.S. (September 1999 - January 2003) and Posse as Minister of Agriculture (September 1999 - August 2000). Endara and Ford are logical running-mates, having served as President and Vice President during 1989-94. They chose Posse for his strong links to Panama's agriculture industry, which is also a key constituency for Aleman's Arnulfista party. (Some observers fear Posse's protectionist tendencies. During his brief tenure in the Moscoso Administration, Posse increased selected agricultural tariffs to their WTO-bound levels.) Through Posse, Endara seems to be looking for support from Panama's agricultural producers, a small but influential lobby with its skeptical eye focused on bilateral FTA negotiations with the US.

17. (SBU) Given his record and reputation, Endara is the campaign's most plausible "anti-corruption" candidate. Some of his most active followers are members of the Anti-Corruption Front (Frente Anti-Corrupcion), who constantly denounce corrupt practices. Endara favors calling a constituent assembly to draft a new constitution to replace the current 1972 constitution that was drafted under Panamanian military dictator Omar Torrijos, father of candidate Martin Torrijos. Endara also promises to immediately repeal President Moscoso's executive order that gutted Panama's freedom of information law, which gives only parties with a "personal interest" a right to know specifics about the internal workings of their government, including budgetary and personnel matters. Endara's administration was widely viewed as honest but ineffective; many Panamanians frustrated by the current corruption choose to forget Endara's shortcomings on the policy side. In economic issues, Endara's populist campaign rhetoric raises concerns about campaign commitments to agricultural constituents that could complicate U.S. efforts to open up key components of Panama's market.

#### ALEMAN A DISTANT THIRD

18. (SBU) Last to officially launch his candidacy, polls show Arnulfista presidential candidate Jose Miguel Aleman's support is still struggling in single digits (8%), according to the latest polling data, and far behind front runners Endara (31%) and Torrijos (49%). Despite effusive support from President Moscoso, Aleman's campaign is not gaining traction. Some key defectors from the MOLIRENA party -- including founding member and former Endara VP Guillermo "Billy" Ford -- have withdrawn their support from the Aleman coalition to back Endara. (PLN's support for Aleman may be less dependable than MOLIRENA's since PLN backed Martin Torrijos against Moscoso in 1999.) Aleman's first and second vice-presidential running mates are MOLIRENA President Jesus "Maco" Rosas and PLN President Anibal Galindo.

19. (SBU) Though tainted by the corruption charges levied against this current administration, Aleman has been careful not to criticize Moscoso, fearing the loss of the Arnulfistas' formidable electoral machine. Aleman has concentrated his campaign efforts outside Panama City in the interior of the country, where the Arnulfistas hold an edge over the PRD but face a fight with Endara. Aleman has promised to continue Moscoso's social agenda to help the most needy.

#### MARTINELLI: COURTING THE SWING VOTE

10. (SBU) Last in the polls with (5%) support, Cambio Democratico candidate Ricardo Martinelli is a long shot but will probably earn more than 4% of the popular vote, enough for his party to officially survive past 2004. Having served in the current and in previous administrations, Martinelli could decide to throw his weight behind either Endara or Torrijos in exchange for a presidential appointment, though he denies such intentions. Martinelli, who visited Washington during the week of December 8, markets himself as a no-nonsense businessman and gifted administrator and entrepreneur who can create jobs and effectively manage Panama's government, particularly the troublesome Social Security Fund (CSS). He is calling for a limited return of U.S. Armed Forces to Panama, bashing his opponents for corruption and vowing to wipe it out. He has proposed creating a Hollywood-like cinematographic center ("Panawood") at the former Howard AFB. Martinelli's platform is the most straightforward of all the candidates. His running mates are Roberto Henriquez, Moscoso's Vice Minister for Foreign Trade early in her term (September 1999 - August 2000), and Casa Esperanza activist Roxana Mendez Obarrio.

#### HOT POTATO: CONSTITUTIONAL REFORM

11. (SBU) With the Ecumenical Council, a consortium of Christian religious leaders, leading the charge, civic groups have pressed for reforms to Panama's constitution; however, not all Panamanians feel that reforming the constitution is the best way to resolve the country's problems. All four candidates, eager to show that they're engaged on the issue, have signed the Ecumenical Council's petition to hold a non-binding referendum on whether constitutional reforms are necessary. Of the four candidates, Endara's proposed solution is the most drastic and probably unconstitutional. He has stated that if elected, he will immediately convoke a parallel constituent assembly. At first opposed to constitutional reforms, Torrijos now backs them through established constitutional procedures (which gives the Legislative Assembly greater control over the process), and remains opposed to convening a constituent assembly through a "fifth ballot" on May 2, 2004). Legislators from Torrijos' PRD party have proposed a bill to amend the constitution, which two consecutive Legislative Assemblies would need to approve. Aleman has said little, but another Arnulfista, Legislator Jose Blandon, Jr., proposed a bill in the Legislative Assembly to order the printing of a "fifth ballot" for the May 2 elections to ask Panamanians whether they want constitutional reforms. Although the first to sign the Ecumenical Council's call for citizen consultations about constitutional reform, Martinelli has not spoken much on the subject. Embassy will report on the issue of constitutional reforms septel, discussing further the feeble efforts to push them forward in the Legislative Assembly.

#### (SBU) COMMENT: PANAMA'S CAMPAIGN AND U.S. INTERESTS

12. (SBU) In Panama's four national electoral events since 1990 (two presidential elections and two referenda), voters have sided with the opposition every time. But, despite mounting public dissatisfaction in Panama with official corruption, the 2004 campaign has not produced any Chavez-like, anti-system candidates. In fact, all the

candidates are friendly to the Embassy and pro-American in their outlook. They all have professed their intent to continue the GOP's excellent cooperation on law enforcement and security matters. This is a two-man race. Martin Torrijos' comfortable lead over Guillermo Endara in opinion polls is not unassailable, as Mireya Moscoso demonstrated in 1999 when she overcame a similar disadvantage late in the campaign to win an impressive come-from-behind victory. For the campaign to become a real horse race, Endara must pick up mass support from defecting Arnulfistas, if not from Arnulfista candidate Jose Miguel Aleman himself, who may gradually conclude that his party's best post-election prospects lie in allying with Endara. Until then, Endara must also hope for a gradual improvement in his own standing in the polls and an erosion in support for Torrijos. Torrijos, naturally, will do all he can to maintain his lead. Most observers have written off Aleman. They may be right but it is hardly inconceivable for Aleman's support to increase (at Endara's expense), especially given the Arnulfistas' formidable electoral machine and their control of the government's pursestrings. Martinelli, the dark horse, could conceivably throw his support one way or the other, although he denies having that intention.

13. (SBU) The candidates are discussing vital national issues, such as constitutional reform, unemployment, and negotiating a bilateral Free Trade Agreement with the United States. Despite broad support from civil society for constitutional changes, the two big parties have effectively stifled calls for a constituent assembly. Panama's politicians do not want to be saddled with a new constitution that may do away with legislative immunity, greatly reduce what is by many accounts a grossly over-staffed and overfunded legislature, or force the government (especially the executive) to be more accountable to the citizens. With regard to a U.S.-Panama FTA, the parties are all claiming that their candidates will extract the most benefits for Panama from the negotiations, rather than preparing the electorate for more economic openness. President Moscoso has even claimed, implausibly, that her administration will conclude negotiations before she leaves office. The constitution and the FTA, both of great import to the US-Panama bilateral relationship and to Panama, will require concerted thoughtful consideration and statesmanship, not likely until after May 2, 2004.

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